

AMENDED IN ASSEMBLY JUNE 1, 2007

AMENDED IN ASSEMBLY APRIL 19, 2007

AMENDED IN ASSEMBLY APRIL 11, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1159

Introduced by Assembly Member Richardson

February 23, 2007

An act relating to state funds.

LEGISLATIVE COUNSEL'S DIGEST

AB 1159, as amended, Richardson. State funds: fiscal review.

Existing law sets forth the duties of the Department of Finance in overseeing the financial activities of state agencies generally.

Existing law authorizes various state agencies to impose and collect fees to cover the costs of performing certain services.

This bill would require the Department of Finance to submit to the Legislative Analyst and specified state agencies and departments the fees identified in Schedule 8 of Appendix 14 of the Governor's Budget Summary 2007–08 that are remitted to the General Fund. This bill would require *each of these specified state agencies and departments to conduct and report upon a time and motion study for each service review and assess whether the fees accurately or inaccurately reflect the full costs associated with the service or program for which it charges a fee, as specified, and submit the results to the Department of Finance and the Legislative Analyst no later than July 30, 2008.* The bill would require the Legislative Analyst to analyze these specific fees and the results of the ~~time and motion studies~~ *review and assessment of fees* to determine whether the fees charged for ~~services~~ *each service or program*

covers the cost to the state for providing each service *or program*, and ~~report its findings to the Joint Legislative Budget Committee no later than February 1, 2009 to include its findings in its analysis of the 2009–10 Budget Bill.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares as follows:

2 (1) The state budget has experienced several years of deficits,
3 reflecting a structural deficit of at least \$5 billion.

4 (2) Given the state's continuing funding crisis, there is a need
5 to conduct a comprehensive analysis of fees, including regulatory
6 fees, identified in Schedule 8 ~~of Appendix 14~~ of the Governor's
7 Budget Summary 2007–08 that are remitted to the General Fund
8 to determine whether state departments and agencies are properly
9 collecting the amount required or have adjusted their costs to reflect
10 actual expenses, and to identify needed changes to comply with
11 relevant statutory requirements.

12 (b) This act shall be known and may be cited as the State Special
13 Fund Fiscal Review Act of 2008.

14 SEC. 2. (a) No later than January 30, 2008, the Department
15 of Finance shall do all of the following:

16 (1) Provide the Legislative Analyst with a list of the fees,
17 including regulatory fees, identified in Schedule 8 ~~of Appendix~~
18 ~~14~~ of the Governor's Budget Summary 2007–08 that are remitted
19 to the General Fund, and of each state agency and department that
20 collects these fees.

21 (2) Provide the director or head of each state agency and
22 department identified as collecting any fees with a copy of the list
23 created under paragraph (1).

24 (b) Each state agency or department identified as collecting any
25 fees in the list created under paragraph (1) of subdivision (a) ~~shall~~
26 ~~conduct a time and motion study for each service for which it~~
27 ~~charges a fee, and shall submit to the Department of Finance and~~
28 ~~Legislative Analyst, no later than July 30, 2008, the results of each~~
29 ~~time and motion study shall review and assess whether the fees~~
30 ~~accurately or inaccurately reflect the full costs associated with~~
31 ~~the service or program for which it charges a fee, and whether~~

1 *any inaccuracy was the result of either undercharging or*
2 *overcharging for the service or program.*

3 *(c) Each state agency or department subject to subdivision (b)*
4 *shall submit to the Department of Finance and the Legislative*
5 *Analyst, no later than July 30, 2008, the results of each review*
6 *and assessment.*

7 ~~(e)~~

8 *(d) The Legislative Analyst shall study the fees included in the*
9 *list created under paragraph (1) of subdivision (a) and compare*
10 *the results of the ~~time and motion studies~~ review and assessment*
11 *of fees performed pursuant to subdivision (b) to determine whether*
12 *the fees charged for each service or program covers the cost to*
13 *the state for providing each service or program. The Legislative*
14 *Analyst shall ~~provide a complete report of its study to the Joint~~*
15 *~~Legislative Budget Committee no later than February 1, 2009.~~*
16 *include its findings in its analysis of the 2009–10 Budget Bill.*